

Portland District Office Annual Report Fiscal Year 2004

Volume 6, Issue 1

November 2004

U.S. Small Business Administration | Portland District Office (PDO)

1515 SW 5th Avenue, #1050 Portland OR 97201-5494 | Phone: (503) 326-2682 | Fax: (503) 326-2808 | TDD: (503) 326-2501

Email: pdxhelp@sba.gov | Web: www.sba.gov/or/

A Word from Director Philip E. Gentry



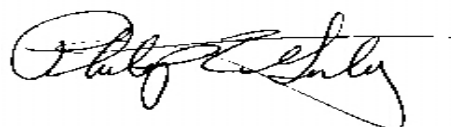
We are pleased to present our fiscal year 2004 Annual Report of our accomplishments. In spite of a year that presented many challenges, including a weak economy, high unemployment, and reduced staffing and budgets, we were still able to achieve record levels of activity in virtually all program categories.

The Portland District again broke records for loan approvals. In the past year, a record **1,162 loans** were approved for over **\$262 million** in small business loans. This represented an **increase of 15.7%** over fiscal year 2003 approvals. In Entrepreneurial Development activities, the Portland

District and our resource partners counseled or trained **31,675 clients**, and our 8(a) Business Development staff set up government contracting matchmaking appointments for **1,320 small businesses**. In addition, **200 federal contracts** were awarded under the 8(a) program for over **\$56.5 million** in federal contracts to disadvantaged firms in Oregon and Eastern Washington. None of this could have been achieved without the dedication and hard work of our district staff, who have been asked to do more with less due to staff reductions that have occurred over the past years. We also acknowledge and thank our many resource partners upon whom we continue to rely to do the bulk of the training and counseling and our participating lenders and certified development companies who market, package and close SBA loans.

In fiscal year 2005 our objective is to increase all levels of activity. As we continue to transform our loan activities to central processing centers, we will have an opportunity to devote more staff to marketing and outreach functions which will result in higher SBA visibility in all parts of our state. We will also be able to devote more time to training our resource partners and lenders on SBA programs and services so that they can assist us in ensuring that small businesses have access to the help they need to start and grow their businesses.

We look forward to providing increased services to our small business communities in the next year.



OUR OFFICE IS MOVING



**As of December 13, 2004 the
Portland District Office's new
address is:**

**601 SW SECOND AVENUE,
SUITE 950
PORTLAND, OR 97204**

**PHONE & FAX NUMBERS WILL REMAIN
THE SAME. PLEASE UPDATE YOUR
RECORDS.**

* * *

MANAGEMENT & TECHNICAL ASSISTANCE REPORT

Resource Partner Client Activity

During fiscal year 2004...



...District Office staff assisted **2,300 clients.**

...20 Small Business Development Centers (SBDCs) in Oregon and three in SW Washington assisted **14,146 clients.**

...5 chapters of Counselors to America's Small Business (SCORE) in Oregon and SW Washington assisted **8,571 clients.**

...3 Business Information Centers (BICs) assisted **5,301 clients.**

...1 Women's Business Center assisted **1,357 clients.**

SCORE District 1086 Activities Summary

The following is a synopsis of SCORE activities within our District area for the fiscal year ending September 30, 2004:

Membership statistics

Membership within the five chapters in this district varied from 200 to 230 members during the year as new members were accepted and trained to fill specific needs within the individual chapters or to replace members who are no longer active.

The five chapters within our District include:

Chapter #11 in Portland, Oregon
Chapter # 269 in Medford, Oregon
Chapter # 416 in Eugene, Oregon
Chapter # 460 in Salem, Oregon
Chapter # 566 in Vancouver, Washington

Responsibilities for SCORE within the District 1086 include all of Oregon, southwest Washington and several counties in northern California.

Clients counseled

During the past fiscal year our SCORE chapters conducted **5,578 face to face counseling sessions** and handled **1,772 email counseling cases** for the following kinds of businesses:

Clients already in business	1,098
Home based businesses	381
Clients preparing to open a new business	2,696

Total counseling time provided by SCORE counselors was in excess of **10,600 hours.**

Workshops conducted by SCORE Chapters

A total of **44 workshops** were conducted by SCORE chapters in this district with **831 attendees** for a total of **346 hours** of training for client attendees. SCORE members contributed **1,528 hours** in preparation for, and conducting these workshops.

Business Resource Center Activities

The Portland chapter contributed **4,108 hours** of volunteer time to provide training and assistance to clients in the business resource center.

Other SCORE activities

In addition to the activities described above, SCORE members contributed **16,870 hours** of non-counseling time in support of the management of their SCORE chapters. Beyond that, there were **350 hours** devoted to speaking engagements to community groups within the communities for which SCORE has responsibility. Throughout the year they participated in several events related to publicity, marketing and community outreach.

Women Business Ownership

Several events were held this year to help women entrepreneurs. Sue Richardson, the Portland District Office Women's Business Ownership Representative, worked closely with the Portland Metro Chapter of the Women Entrepreneurs of Oregon. Three WNET (Women's Network for Entrepreneurial Training) Roundtables were held during fiscal year 2004, and three more WNET Roundtables are scheduled for fiscal year 2005.

The Women's Entrepreneurs of Oregon (WEO) staffed a booth at the Women at Work Party in April 2004, the Women at Work and Play Conference in May 2004 and the SBA Small Business Fair in September 2004. In addition, WEO held quarterly luncheons at other local women's organizations. These events shared information about the resources available to women business owners. If you have any questions about the Women Entrepreneur's of Oregon contact June Wyrick, President at jmw@buckley-law.com.

Report from SOWAC Microenterprise Development Center

Started in 1990 as Southern Oregon Women's Access to Credit, SOWAC made several changes during fiscal year 2004 and experienced a banner year in clients served. During fiscal year 2004 SOWAC:

- ◇ changed its name to more clearly express the mission of helping people start, expand, or

improve their small business by providing practical, hands-on business training, technical assistance and loans.

- ◇ offered information about programs to **1,142 individuals**.

- ◇ served **209 clients** in basic business training courses, for a total of **4,611 hours** of instruction.

- ◇ taught **59 clients** in advanced courses, Marketing Roundtable and Bookkeeping Basics. In addition to the **564 hours** spent in group sessions, each participant received 1-on-1 counseling.

- ◇ provided marketing assistance to **130 clients** in the basic business course for a total of **882 hours** spent in individual counseling.

- ◇ counseled and mentored **576 clients** for a total of **1,042 hours**.

- ◇ spent **190 hours** of networking in the community, sharing information about programs with **3,888 people**.

- ◇ assisted **55 new business** start-ups with **139 new jobs** created.

- ◇ was one of 11 centers in the country chosen to participate in the Capital Access Program, serving people with disabilities.

- ◇ **16 new microloans** were made for a total of **\$233,206**. SOWAC also offered financial counseling to **279 people**.

Business Resource Center is on Target with Clients and New Technology

For the sixth year in a row, the Business Resource Center (BRC) located in the SBA office, had a record year for usage by clients. This year saw over **2,830 clients** use the computers and software systems, video tapes, library and receive counseling to either start a new business or improve an existing business.



Of increasing popularity is the use of the SCORE PLANNER software designed by SCORE Chapter #11 which provides all of the financial planning capability of a business plan. Combined with the increased use of BUSINESS PLAN PRO 2004 software developed by Palo Alto Software (a Eugene based software firm), BRC clients have the best combination for success.

Behind the scenes there were other improvements going on as well. The server system which provides

printer, Internet services and client tracking was upgraded to a faster processor and associated software. A new secure router was added to insure security on our local area network, and a WIFI gateway was donated. We look towards technology to make it easier getting access to the World Wide Web for those using the library area ... another HOT SPOT added to the landscape of Portland.

Highlights of Oregon SBDC Achievements

According to a study conducted by Campbell DeLong Research, Inc. for the Oregon Economic and Community Development Department, businesses assisted by the Oregon SBDCs in 2003 added **3,300 new jobs**. SBDC-assisted businesses generated **\$63.8 million** in new sales and generated **\$53 million** in new payroll.

From January-June 2004, eight SBDC centers reported the following loan and job creation: **31 loans** were secured for SBDC assisted clients for a total of **\$13,692,375**, leading to the creation of **78 new jobs** and the retention of **49 jobs**.

Here are snapshots of exceptional service to small businesses:

◇ The **Blue Mountain SBDC** partnered with SBA to offer International Trade Peer Mentoring Program for the first time to businesses in Eastern Oregon.

◇ **Chemeketa SBDC** and the Small Business International Trade Center worked with the Strategic Economic and Development Corp in Salem and Willamette University's Atkinson Graduate School of Management to deliver the third year of national award-winning International Trade Certificate Program. Twelve business owners/managers and ten Atkinson Graduate School of Management interns graduated from the program. This program involved the International Trade Division of OECDD, the U.S. Export Assistance Center and the Oregon Department of Agriculture. This international trade program will be conducted in Portland starting in the fall of 2004 with community partners including the Portland Business Alliance, Portland Development

Commission, Oregon Economic and Community Development Department International Trade Division, U.S. Export Assistance Center, the District Export Council of Oregon and SW Washington, and the Columbia River Customs Broker and Freight Forwarder Association.

◇ The **Southern Oregon Community College SBDC** has been working with Shorebank Enterprise Pacific to develop an agricultural business management program that would be patterned after the Small Business Management Program. The new program is slated to commence in October 2004 with 12 to 15 agricultural enterprises from Coos and Curry counties enrolled for the training/advising program.

◇ The **Oregon SBDC Network Office** convened a meeting of SBDC small business counselors and other service providers in Oregon that work with Hispanic clients to determine how best to serve this community. SBDC counselors from around the state of Oregon met at the Portland Community College SBDC to compare effective practices. The group came up with successful strategies, including audio and video tapes that the clients can check out and minimize written materials as much as possible, as the literacy rate in English or Spanish limits the effectiveness of written materials for serving this community. Close to half of the SBDCs employ Spanish-speaking counselors.

◇ The **Portland Community College SBDC** is working with the college's Distance Learning Department and Workdrugfree, a part of Work Systems, Inc. to develop and deliver a web based training program for supervisors and business owners on how to develop and implement a workplace drug free program. This training will involve live classes, web-based classes and web-based access for refresher and additional information available to participants over the next 12 months following participation in a live or web-based class.

* * *

GOVERNMENT CONTRACTING & PROCUREMENT REPORT

Veteran Owned Businesses (VOB) and Service-Disabled Veteran Owned Small Business Concerns

Veteran Owned Businesses (VOB) and Service-Disabled Veteran Small Business Concerns (SDVOSBC) are encouraged to use the services of the Oregon Government Contract Assistance Program (GCAP) offices for three good reasons.

TIME: Most business owners have little time to search the various databases where public agencies place contract opportunities. In Oregon, GCAP provides that service from over 450 sources from international to local town/city levels.

COST: If the requirement comes from Oregon sources, the information is free. Other information is passed on at a nominal fee.

HELPING VETS: More importantly, once veterans have the contract bid information, GCAP can advise or provide ideas on how to structure a competitive bid.

The Oregon GCAP office can be contacted at (800) 497-7551 or at www.gcap.org. In southwest Washington, the assistance center is at the Columbia River Economic Development Council, ATTN: Constanze Wilde, 1101 Broadway, Suite #120, Vancouver, WA., telephone (360) 694-5006 or email at cwilde@credc.org.

We applaud those who assist veterans in getting a share of the \$200 billion in federal procurements.

Eighty (80%) Percent of SBA's 8(a) Firms receive contract assistance

The Portland District Office **assisted 80%** of our 8(a) certified businesses with contracts in fiscal year 2004, far exceeding the national average. This high achievement is due in large part to our procuring activities and the tremendous support they continue to offer to the 8(a) Business Development program. In the past fiscal year, **203 contracts** and **274 modifications** were issued for a total of **\$56.7 million** to **72 businesses**. Five local agencies supported the program with 10 or more

offerings each, with the Southwest Oregon Contracting Area of the U.S. Forest Service leading the way with 15 awards valued at \$3.6 million. According to Phil Gentry, Portland District Director, "2004 was a very good year for our 8(a) program. 80% of the 8(a) firms received contracts from a wide array of federal agencies. Those statistics indicate broad support for the program from federal procuring agencies as well as broad support and assistance to our 8(a) clients."

Warm Springs Composite Products Receives District Award



Pictured from left to right are: Jody Calica, Sec'y/Treasurer Warm Springs Confederated Tribes; Don Barrier, WSCP board member; Duane Darnell, CEO WSCP; Gerald Smith, WSCP board member; Jacob Coochise, WSCP sales manager

Warm Springs Composite Products, a tribally owned enterprise located in Warm Springs, Oregon, was awarded the Portland District Office Minority Small Business of the Year Award during Minority Enterprise Development Week celebrations at the Oregon Convention Center on October 1st. This award is based on the outstanding development of the business and the contributions made to the community. Warm Springs Composite is a big supporter of giving both time and money back to their community. They are especially active in supporting young people in education, sporting events, and cultural projects.

Warm Springs Composite Products is a specialty manufacturer of components for fire doors. They started their business eleven years ago with 5 employees. Today they employ 34 and have sales that exceed \$4 million. Eighty (80%) percent of the workforce is Native American. All products

produced by Warm Springs Composite are fire-certified for use in fire rated door systems. They are one of only two businesses in the United States currently producing fire rated and certified products for fire doors.

Robert Macy, Chairman of the Board, accepted the award on behalf of the employees. Macy is a longstanding and active member of the Warm Springs business community. He serves on the boards of several tribally owned enterprises and is the past general manager of Warm Springs Forest Products as well as owning and operating a family grocery store.

O'Neill Electric Honored



Pictured from left to right are: Tom Peterson, Port of Portland Dir. of Engineering; Maurice Rahming, President O'Neill Electric, Inc.; Rhonnda Edmiston, Port of Portland Small Business Dev't Program manager

Maurice Rahming, President of O'Neill Electric was honored at the Minority Enterprise Development Week Awards Luncheon, sponsored by the Minority Business Opportunity Committee on October 1st as the Outstanding Minority Construction Business of the Year.

O'Neill Electric was created in 1998 by Alida O'Neill and Maurice Rahming. Maurice was a practicing electrician at that time. In 2000 he began working in the office, focusing on sales and other aspects of running a small business. With well managed projects, the company has steadily grown from sales of \$300k in 1998 to the \$1.7 million range today.

Maurice is an active member of the SBA's 8(a) Program and a 2004 graduate of the Port of Portland Mentor Protégé Program.

* * *



City of Vancouver Outreach Fair

On October 15th, SBA's Joe Martinez (shown here) along with Mary Jo Witty

and "Big Jim" Steiner attended the 2nd annual Vancouver, Washington Outreach Fair.

Joe discussed the various SBA Loan Programs including a Microloan program operated by the Oregon Association of Minority Entrepreneurs (OAME). Mary Jo provided information on where to get assistance in the federal contracts arena and "Big Jim" provided a class on why a business needs a website, including the technical considerations.

We thank the city of Vancouver for again inviting us to participate in this forum.

* * *

SBA's Speakers Bureau

The Portland District Office staff spoke to **3,559 attendees** at **46 functions** during fiscal year 2004. The district office's territory includes thirty counties in Oregon and four counties in Southwest Washington.

Our staff is willing and eager to inform the business community about our programs, services and available resources. To arrange for a speaker for your group or association contact Moe Mowery at 503-326-5209 or email marlin.mowery@sba.gov.

* * *

LOAN ASSISTANCE REPORT

Military Reservist Economic Injury Disaster (MREIDL) Loan Recipient Goes on to Other Missions



Jeffrey Rodman Linscott, retired Air Force Reserve Major and President of JL Aviation, located at Portland International Airport, has served his country in the U.S. Marine Corps, Army and Air Force for over 22 years. Major Linscott was ordered to Columbus Air Force Base in Mississippi to attend fixed wing aircraft training from December 2002 through July 2003.

Upon return from this training, he came back to his business to find it was in ruins, both because of the after-effects of September 11th and the fact that his employees were not proficient in marketing to those needing rotary aircraft services.

Linscott read about the SBA's program to help military reservists upon return from active duty: the Military Reservist Economic Injury Disaster Loan (MREIDL) program. Armed with this information and with help from the SBA's Veterans Business Development Officer (VBDO), he set out to save his business by re-writing his business plan using SCORE PLANNER, software developed by members of SCORE Chapter #11 in Portland.

In just one day, he revised the business financials using SCORE PLANNER. With the aid of the VBDO and SCORE counselors, he completed the loan application with forms he found online and submitted it to Disaster Area Office 4 in Sacramento, California.

The loan was approved, saved JL Aviation and allowed the firm to make flyable a second helicopter in 2004 and hire two employees. This

past summer Linscott again served his country as a forest fire suppression aide in Eastern Washington.

Linscott is currently helping the U.S. Geological Survey, flying missions in and around Mount St. Helens, dodging eruptions and hot gases and continuing his long career of service to his country.



Jeffrey Linscott does work for the U.S. Geological Survey around Mt. St. Helens

Lenders Meet The Challenge

Our participating lenders responded to our call to increase the availability of capital to small businesses in Oregon and SW Washington by setting yet another loan production record of **1,162 loans** for **\$262 million**. This number **surpasses by 15.7%** the previous high of 1,004 loans established last fiscal year and includes 127 Certified Development Company 504 loans for \$67 million.

Because of the importance of small business to national and local economies, the SBA is asking its participating lenders to reach out even further to assist this critical economic segment by increasing FY 2005 loan production over FY 2004 levels. Lenders in the Portland District are being asked to make at least **1,273 loans**, representing a **12% increase** from FY 2004.

We are confident that our lenders are up to the task. During this year, Joe Martinez and Dennis Lloyd will be visiting with our lenders to introduce them to the SBA Express Loan Program.

This program has many advantages to both the lender and borrower alike and will enable the lenders to meet this new challenge.

The *ExpressLoan* program accounted for **53%** of the 7(a) loans made in the Portland District Office in 2004 and **56%** nationally.

* * *

SAVE THE DATES!!

-Lender Training-

January 27, 2005

April 28, 2005

August 25, 2005

The Portland District Office will be holding three lender training sessions, which will each include a general session followed by instructional discussions on various credit or program topics.

Please mark your calendar.

More information will follow.



Are You Looking for Financing to Start or Grow Your Small Business?

Attend a free SBA loan briefing presented by an SBA Loan Specialist and learn more about your financing options.

Portland:

When:

3rd Thursday of each month
11:30 am – 12:30 pm (Please arrive 15 minutes early for check in. Registration is **NOT** required.)

Where:

ODS Tower
601 SW Second Ave, 20th Floor
Corner of 2nd & Morrison,
Downtown

Salem:

When:

3rd Tuesday of each month
11:30 am – 12:30 pm (Bring your lunch)

Where:

Chemeketa TED Center
365 Ferry Street SE

Registration: Call (503) 399-5088

Eugene:

When:

Last Tuesday of each month
11:30 am – 12:30 pm

Where:

Lane Community College SBDC
1445 Willamette St., Ste. 1

For more information call (503) 326-2682.

**FY 2004 Loan Production
Portland District Office
10/1/2003 thru 9/30/2004**

BANK NAME	# of Loans	Total Approval \$
ALBINA COMMUNITY BANK	2	128,000
AMERICANWEST BANK	1	125,000
ASSURANCE PARTNERS BANK	1	85,000
BANK OF AMERICA	183	\$5,537,900
BANK OF ASTORIA	2	\$1,951,200
BANK OF CLARK COUNTY	3	\$465,200
BANK OF SALEM	1	\$50,000
BANK OF THE CASCADES	57	\$10,218,000
BANK OF THE WEST	8	\$4,281,700
BANNER BANK	2	\$350,000
BORREGO SPRINGS BANK	4	\$1,579,000
BRANCH BANK & TRUST CO.	1	\$470,000
BUSINESS LOAN CENTER, INC.	7	\$4,573,300
CCD BUSINESS DEVELOPMENT	20	\$12,764,000
CALIFORNIA BANK & TRUST	20	\$4,313,500
CAPITAL MATRIX, INC.	1	\$381,000
CAPITAL ONE FED. SAVINGS BANK	96	\$3,580,000
CAPITAL PACIFIC BANK	4	\$1,683,000
CASCADES WEST FINANCIAL SERVICES., INC.	29	\$12,077,000
CHETCO FCU	8	\$3,887,000
CIT, SMALL BUSINESS LENDING CORP.	61	\$36,982,000
COLUMBIA COMMUNITY BANK	4	\$642,650
COLUMBIA COMMUNITY CREDIT UNION	5	\$501,975
COLUMBIA RIVER BANK	3	\$280,000
COMERICA BANK-CALIFORNIA	8	\$2,266,200
COMMUNITY BANK	1	\$20,000
EVERGREEN COMMUNITY DEVELOPMENT ASSN.	35	\$18,711,000
FARMERS & MERCHANTS STATE BANK ID	1	\$150,000
FIRST INDEPENDENT BANK	1	\$110,000
GE CAPITAL SMALL BUS. FINANCIAL CORP.	3	\$2,267,500
GOLETA NATIONAL BANK	5	\$1,116,000
GREATER EASTERN OREGON DEV. CO.	9	\$6,851,000
HANMI BANK	1	\$324,000
INLAND COMMUNITY BANK NATL. ASSOC.	1	\$516,000
INNOVATIVE BANK	6	\$35,000
KEY BANK	22	\$5,832,500
KITSAP BANK	1	\$230,000
LIBERTYBANK	3	\$1,078,000
MATRIX CAPITAL BANK	5	\$2,318,000
MBANK/MERCHANTS BANCORP	11	\$934,200
MID-VALLEY BANK	6	\$850,000
NEWTEK SMALL BUS. FINANCE, INC.	2	\$774,800
NORTHWEST BUS. DEVEL. ASSOC.	10	\$4,240,000
NORTHWEST SMALL BUS. FINANCE CORP.	7	\$3,676,000
OREGON CERTIFIED BUSINESS DEV. CORP.	16	\$8,673,000
OREGON PACIFIC BANKING CO.	4	\$492,000

PACIFIC CAPITAL BANK , N.A.	2	\$2,192,000
PACIFIC CONTINENTAL BANK	46	\$10,868,640
PEOPLES BANK OF COMMERCE	18	\$3,868,500
PINNACLE BANK	1	\$300,000
PREMIERWEST BANK	3	\$1,222,600
SILVER FALLS BANK	1	\$582,000
SILVER STATE BANK	5	\$2,391,700
SIUSLAW BANK	1	\$50,000
STEARNS BANK NATIONAL ASSOC.	3	\$414,000
STERLING SAVINGS BANK	1	\$150,000
SUMMIT BANK	2	\$527,500
TEMECULA VALLEY BANK N.A.	6	\$5,835,700
THE COWLITZ BANK	11	\$4,674,045
TOWN CENTER BANK	8	\$1,333,600
TWIN CITY BANK	18	\$2,348,900
US BANK, NATIONAL ASSOCIATION	163	\$25,383,100
UMPQUA BANK	5	\$852,000
WACHOVIA SBA LENDING, INC.	4	\$1,646,500
WASHINGTON MUTUAL BANK/WESTERN BANK	2	\$693,500
WELLS FARGO BANK	118	\$14,585,200
WEST COAST BANK	40	\$12,071,600
ZIONS FIRST NATIONAL BANK	1	\$85,000
TOTAL APPROVALS	1140	\$260,447,710
MICRO LOANS	19	AS OF 09/24/04

#